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JULY 19, 1965

CANADA NOW LEADING EXPORTER OF RAPESEED

IRRIGATION GIVES VITALITY TO RHODESIAN AGRICULTURE

VIRGINIA PROMOTES FARM PRODUCTS IN WORLD MARKETS

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

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JULY 19, 1965

VOL III • NUMBER 29

Cane being hauled for stacking prior to entering sugarmill in the lowveld region of Rhodesia. This photo and those illustrating story on page 6 supplied by Southern Rhodesia Information Service.

Contents

3 Canada Now the World's Leading Exporter of Rapeseed

5 Another Record Tea Crop Expected; U.S. Consumption also Rising

6 Irrigation Gives New Vitality to Rhodesian Agriculture

8 Shipping Terms—and What They Mean

9 EEC Increases Protection Under Fruit and Vegetable CAP

10 Japan's Purchases of Rice and Wheat Expected To Rise

10 Onetime Swamp Now Model Malaysian Rice Area

11 World's Pepper Trade Changing

11 Sudan's Wheat Imports Boom

12 Market Development

Virginia Promotes Its Farm Products in Important World Markets

14 World Crops and Markets

Cotton
16 United States Exports Less Cotton

Dairy and Poultry Products
14 Canada Resubsidizes Nonfat Dry Milk Exports

Fats, Oilseeds, and Oils
15 Togo's Exports of Vegetable Oils and Oil-Bearing Materials
15 Gabon's Peanut Situation
15 Nigeria's Palm Product Purchases
15 Congo's Exports of Palm Products
15 Tung Oil Shipments From Buenos Aires

Fruits, Vegetables, and Nuts
16 West German Tender for Canned Pears

Grains, Feeds, Pulses, and Seeds
14 Bumper Wheat Crop Foreseen in Canada
14 France Forecasts Record Wheat Crop

Livestock and Meat Products
14 U.S. Meat and Livestock Exports Show Some Recovery

Sugar, Fibers, and Tropical Products
15 West German Honey Imports Down

Tobacco
14 Nicaragua's Cigarette Output Up
15 Pakistan's Cigarette Output Increases
15 Ethiopia's Cigarette Sales Up

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Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington, D. C. 20250. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is $7.00, domestic, $9.25 foreign; single copies are 20 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington, D. C. 20401.

Canada Now the World's Leading Exporter of Rapeseed

Crop means money in the pocket for Canadian farmers who are increasing their plantings this year to capture a bigger share of the vegetable oil market.

By JOHN C. McDONALD
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Rapeseed might well be called the wonder crop of the Canadian Prairies—"wonder," in one sense, as a term of surprise at the prodigious progress the crop has made since getting off to an uncertain wartime start, and "wonder" also in the sense of curiosity: Can this Old World oilseed attain the high levels of popularity and utility that its champions predict for it?

Rapeseed was introduced to North America in 1942 when Canada was casting about for sources of domestic vegetable oil. The Dominion Bureau of Statistics (DBS) first took official note of it the following year when 44,000 bushels were produced on 3,200 acres. By contrast, the 1964 outturn in the three Prairie Provinces of Alberta, Saskatchewan, and Manitoba was 11 million bushels on 700,000 acres.

This year farmers have declared their intentions—according to a DBS survey of March 1—of doubling rapeseed plantings while, for the first time in 8 years, they plan to reduce slightly the area devoted to wheat. Moreover, spring was late this year, and this has increased the likelihood of considerable rapeseed substitution for wheat in the short growing season of the northern regions.

Scattered pleas for caution are to be heard amid the prevailing enthusiasm for expansion. An Alberta official warned that a doubling of supplies will almost certainly strain marketing capacity and result in low prices. A Winnipeg grain company said a 40-percent increase in acreage might be reasonable in 1965, but a 100-percent increase could be excessive. As if to support these forebodings, new crop futures currently are being offered at a substantial price discount.

Extra dollars in pocket

Nonetheless, reasons for the general rise in popularity of rapeseed are not difficult to determine. The reasons are extra dollars—cash dollars—in the farmers' pockets when compared with returns from traditional crops. Economic studies in Alberta and Saskatchewan have shown that rapeseed brings a higher return than King Wheat in the northern grain belt, although wheat is a better bet in the central and southern parts of the two largest grain-producing Provinces. Wheat withstands heat and drought better than rapeseed does, and wheat insect pests generally are under better control than the flea beetles that prey upon rape in some areas. Yet in the Peace River region of Alberta, which suffered from excessive moisture last autumn, rapeseed was the only crop dry enough to harvest for weeks on end.

Many farmers began to grow rapeseed as a cash crop in the mid-1950's when the Canadian Wheat Board imposed strict quota limitations upon wheat. These restrictions have been eased in the past couple of years, but growers have continued to produce rapeseed because it is sold for cash upon delivery. Wheat, oats, and barley, on the other hand, bring only initial payments when delivered and the balance when the Board closes the pools many months later. The Board sets quotas on deliveries of rapeseed in order to control flow from the farms and to prevent congestion of transportation facilities.

Share of edible oil market

Will the rapeseed boom continue? The consensus in farm and trade circles seems to be that even though periodic setbacks are inevitable, including fluctuations in acreage and yield which are characteristic of all crops in the vast, semiarid Prairies, the trend in output will be upward. By improving varieties, farm cultural practices, and the marketing system, Canadians hope to produce a crop competitive in terms of price, quality, and continuity of supply that will capture a larger share of the rapidly expanding world market for edible vegetable oils.

Strenuous efforts also will be made to increase rapeseed's share of the domestic market for edible oils. Of the 8.4 million bushels produced in the 1963-64 crop year (August-July), fewer than 1.8 million were crushed and used domestically. During the same year (October-September), Canadian soybean outturn totaled only 5.0 million bushels, yet the domestic crush amounted to 18.9 million bushels. Imports of 16.9 million bushels from the United States accounted for the rest of the bean supply. The United States was the sole supplier of soybean oil imports, amounting to 34.3 million pounds in 1963-64.

No. 1 rapeseed exporter

The climate of Canada, outside southwestern Ontario's "sun parlor" where corn, tobacco, garden fruit, and vegetables are grown, is unsuited to production of soybeans. Ontario turned out 7.0 million bushels of soybeans in 1964. Scientists in that Province are striving through both chemistry and breeding to produce a smaller leafed plant that will yield more beans per acre in the little area available.

Canada is now the world's leading exporter of rapeseed. Last year it passed Poland as the second largest producer among major trading countries, behind Pakistan. Poland

and Pakistan, both normally exporting nations, have imported sizable quantities of Canadian rape in the 1964-65 crop year. Japan, as usual, is the leading importer, with Italy, which took nearly a million bushels in March, in second place.

Exports of seed amounted to 62 percent of production in 1963-64—which was less than normal—but are expected to climb to about 75 percent of the larger 1964 crop in the current marketing year. Rapeseed oil exports are negligible: 390,800 pounds in calendar year 1964, all to the United States. Insignificant meal exports are buried in a catch-all category in the trade statistics.

Several varieties grown

The word "rape," in its botanical sense, may be traced back to the Greek *rhapys* and Latin *rapa* or *rapum*, meaning turnip or rape. Today the names rape and rapeseed refer to *Brassica napus*, the Latin name for plants which are called rape or colza in Europe and Argentine-type rape in Canada, and to *Brassica campestris*, which is a Polish species whose varieties account for about 80 percent of the rapeseed grown on the prairies. Most widely recommended and used is a variety called Arlo, but researchers who have worked for 11 years on Echo, a new variety licensed for commercial distribution this spring, are optimistic about its future. Unselected Polish is similar to Arlo in appearance and yield.

Golden, Nugget, and Tanka are popular Argentine varieties which are generally higher yielding than the Polish but take 2 or 3 weeks longer—about the same as spring wheat—to mature. Tanka built up a fine reputation during excellent growing seasons in 1962 and 1963, but it was pushed too far northward last year and suffered a high proportion of frost-damaged kernels.

Frostbitten seed finds market

When domestic crushers sampled the early harvest in 1964, they were dismayed to find that the frostbitten seeds produced a dark-colored, low-quality oil. Word got about in the trade that the outlook for its disposal was gloomy indeed. Later the damage was found to be not so extensive as feared, and even the lowest grade seed was easily peddled to foreign customers eager for a bargain and not so fastidious about color.

In December, as a matter of fact, the Saskatchewan Wheat Pool issued a plea for dry rapeseed that had suffered frost damage. The Japanese prefer to import Canadian seed and crush it themselves. So far as is known, they have raised no objections to discolored oil from the 1964 crop. They use rapeseed meal primarily as a fertilizer on special crops such as tobacco. Two Canadian scientists spent most of April in Japan in an effort to convince government, scientists, and potential users that rapeseed meal is a valuable protein supplement to livestock and poultry rations.

The record 1964 rapeseed crop, despite early fears about its marketability, graded very satisfactorily according to official standards. This past winter the refiners of edible oils in Canada, under auspices of the Institute of Edible Oil Foods, set up a technical committee to establish quality standards for rapeseed oil. Already this committee, whose recommendations are to be approved by crushers also, has suggested a change in the interpretation of what constitutes a green seed. If it is adopted, the interior of the kernel as well as the exterior appearance will be examined in future quality tests.

Competition with soybeans

Just as Canada is leaning heavily upon research to produce higher yielding soybeans and faster maturing corn, so is it concentrating upon research in federal stations and universities to improve rapeseed quality and yield. The average oil content of rapeseed is double that of soybeans, but the meal extraction rate is considerably lower.

Development of new techniques for testing rapeseed for oil quality has made it possible to undertake intensive breeding of improved lines of rape for oil. Prior to 1959, it took 3 days and a pound of oil to obtain a complete quality analysis from a single sample. Today, the door is open to an accelerated breeding program with utilization of a testing method that permits analysis of the oil from a single seed or part of it.

Four principal objectives are sought by scientists at the Canada Department of Agriculture's research station at Saskatoon, Saskatchewan, where rapeseed research is centered: (1) To breed new varieties which produce more seed per acre and yield more oil per pound of seed and more protein in the oil-free meal fed to livestock; (2) to seek earlier and uniformly maturing varieties of the Argentine type; (3) to change rapeseed oil chemically so that it will be more versatile in the manufacture of salad and cooking oils, margarines, and shortenings; and (4) to eliminate the toxic factors in rapeseed meal.

Oil and meal research

Objective No. 3 is said to have been notably advanced by modification of the makeup of rapeseed oil so that it is similar to olive oil, but seed of this new type will not be available until 1967 at the earliest. As to No. 4, it is contended at Saskatoon that new methods of processing have largely overcome objections to rapeseed meal as a feed for nonruminants, but the ultimate solution is removal of objectionable compounds through plant breeding.

Rapeseed meal possesses certain factors that make it undesirable as feed for nursing or pregnant sows and for young poultry. The University of Saskatchewan recently began research under a grain company grant to find ways of eliminating objectionable meal factors which are said to interfere with palatability and which may affect the action of the thyroid hormone and thus reduce the efficiency of converting feed into animal gain. University scientists say the offending compounds are known and considerable progress has been made toward removing or controlling them, but the major problem lies in eliminating the unwanted chemical compounds without damaging the amino acids in the protein.

Despite the unhappy experience with frozen and immature rapeseeds last fall, domestic crushings appear to be headed for a significant increase in 1964-65. However, the increase in crush will be somewhat less than the stepped-up rate apparent in the first 5 months of the August-July marketing year because in January one of the principal crushers decided to halt operations until the crushing margin becomes more favorable.

Prices fluctuate

Cash rapeseed prices on the Winnipeg Grain Exchange, basis in store at Vancouver, averaged Can$3.10 a bushel in March 1965, a gain of Can$0.57 over the same month a year ago. Rapeseed prices at the farm averaged Can$0.05 a pound during 1963-64 and about Can$0.054 in the first 8 months of the current marketing year. In the first quar-

ter of 1965 the farm price rose to the Can$0.06 range. At that price, the grower would realize close to Can$50.00 an acre even if his yield failed to top last year's all-Canada average of 790 pounds. Under good growing conditions, 1,200 to 1,500 pounds per acre with oil contents of 42 to 46 percent are common. In comparison, the average Prairie farmer who receives Can$1.65 a bushel for wheat would gross only Can$32.83 per acre in this marketing year, and at current prices he would receive less than that for flax, barley, and oats, in descending order.

The average Winnipeg cash price for rapeseed declined to Can$3.04 in April, and by early July the price was down to Can$2.71 for No. 1 Canada. The trade reported meager demand for old-crop rapeseed, and cash prices followed U.S. soybeans downward as impatient longs liquidated their holdings. Because of the anticipated increase in 1965-crop production, November and January futures had dropped below Can$2.35 a bushel.

Nonetheless, rapeseed prices, which used to fluctuate wildly, have been stabilized to some degree by operation of the world's only futures market in rapeseed. Initiated on the Winnipeg Grain Exchange in September 1963, the futures were widely used by the trade from the start, but not until late 1964, when good export demand developed, did a broader public interest evidence itself. The volume of trade was about 5.5 million bushels in the first 9 months of 1964, and nearly 13 million in the final quarter. This compared with 27 million bushels of soybeans traded on the Chicago Board of Trade in the first full year of trading in that commodity, in 1937.

Marketing revised

Rapeseed marketing has come a long way since the first crops were grown on a contract basis. The most important break came on August 1, 1961, when freight rates were revised to define rapeseed as a grain and thus to make it eligible for low Crow's Nest rates for export. Since that time, the marketing structure has been revised, and the handling margin has been trimmed considerably. First came a private daily auction in Vancouver, which handled only a portion of total supplies, and then the futures trading in Winnipeg which gave buyers a firm market to bid in and provided producers with a daily price quotation.

Rapeseed has assumed an important place in the domestic farm economy, but it still has obstacles to surmount. Canadian rapeseed outturn is a very small part of the world's total oilseed supply, and it must compete in world markets with interchangeable oils and meals that possess certain qualities that in some cases rapeseed does not have. But, as noted earlier, farm and trade alike are optimistic that improved products and practices will result in expanded output and a larger share of the growing domestic and world markets for edible oils.

Another Record Tea Crop Expected; U.S. Consumption Also Rising

The 1965 world tea crop is forecast at 2,416 million pounds, 21 million above the record 1964 harvest. Expanded acreage, wider use of fertilizers, and the replanting of tea estates with higher yielding bushes are largely responsible for this increase.

Asian production—which accounts for 92 percent of the world crop—is forecast at 2,236 million pounds, slightly above that of the preceding year and 23 percent above the 1955-59 average.

Output in India—the world's largest tea producer—is expected to exceed the record 1964 outturn of 823.8 million pounds. Ceylon's production is forecast at 490 million, the largest on record, and the Indonesian crop is expected to equal the 1964 harvest of 100 million.

Other Asian countries with larger crops anticipated are: Japan—185 million pounds, slightly above the 1964 peak; Pakistan—70 million pounds, an increase of nearly 7 million over the record 1964 crop; Turkey—27 million pounds; and Taiwan—42 million pounds.

African production, forecast at 135.2 million pounds, is close to the bumper 1964 harvest. Kenya, the largest grower, is expected to approximate its record 1964 crop of 44.6 million pounds. Mauritius, Tanzania, and Uganda expect slight increases over 1964. Malawi's harvest will probably be lower, and Mozambique's about the same.

1964 tea exports

Partly indicative of rising consumption in producing countries was the reduction in last year's export sales. At 1,228 million pounds, they showed a drop of 2 percent from the alltime high in 1963. There was also some change in the pattern of tea exports. Ceylon's shipments to the United Kingdom fell 7 million pounds, while exports to the United States increased 5 million pounds, and those to the USSR nearly doubled the 1963 level. Furthermore, the Soviets have agreed to purchase nearly 55 million pounds of Ceylon's tea in the 3 years 1965-67.

Sharply curtailed buying by the United Kingdom reduced India's tea exports last year; also those to the United States were the lowest in years. However, exports to the USSR, its second largest buyer, increased by 27 percent to 46.6 million pounds. The Netherlands, with 20 million pounds, was the biggest buyer of Indonesia's tea.

South America's tea production, which has gained rapidly in the last decade, is estimated at a record 45 million pounds. Production in Argentina is expected to nearly equal the high 1964 crop of 27.5 million pounds. Brazil's output is continuing its upward trend and is estimated at 15 million pounds, nearly five times the 1955-59 level.

World consumption rising

This series of successive record crops has been somewhat counterbalanced by an upward trend in consumption —in producing countries as well as in those that import tea. South America is the only exception; there consumption is hampered by competition from yerba mate and coffee.

In the United States, the world's second largest tea importer, consumption at 0.7 pound per capita is far below the nearly 10 pounds per person consumed in the United Kingdom, the world's No. 1 tea buyer. Nevertheless, consumption in the United States is rising slowly, due in part to the introduction of instant tea to the market. Preliminary figures show that sales of instant tea in U.S. retail stores last year exceeded 19 million pounds and accounted for about one-fifth of all retail tea sales.

Irrigation Gives New Vitality to Rhodesian Agriculture

Above, canal on one of the big plantations of the lowveld, with offtakes and measuring gate in foreground. Top right, cane coming in from fields for processing.

By ROBERT C. MONCURE
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Large-scale irrigation and mechanized land clearance are bringing spectacular improvement to agriculture in the Rhodesian "lowveld"—a broad expanse of low-altitude land (2,000 feet or less) extending over the southeastern corner of Southern Rhodesia.

The irrigation of about 55,000 acres (about 45,000 for sugar) of the lowveld since 1961, is just a hint of what is to come in this region, but results even thus far are impressive. Production of sugarcane—the area's most important crop—has risen twentyfold, and as a result, Rhodesia is fast becoming an important sugar exporter. Output of citrus fruit, cotton, and burley tobacco is also on the rise, and further development of beef cattle for export is underway. So fast is this area being irrigated—at about 1,000 acres a month—that statistics are continually out of date.

Along with agricultural growth has come industrial expansion. New sugarmills and other processing plants have been completed; others are under construction. A brewery, a distillery, an animal feed industry, and related service facilities are being developed. Schools, medical facilities, and new modern housing have already been provided (and more are being built) for the many Africans moving into the region and for the limited number of Europeans on plantations and farms there. An independent town outside the plantations is under construction.

Lowveld fertile but dry

This region—about the size of New York State—until recently was thinly populated and covered with bush and scattered baobab trees. Its potential was great, as land in many areas was fertile; and high daytime temperatures, coupled with an almost complete absence of nighttime frosts, favored crop-growing. But because of a seasonal and unreliable rainfall (12 to 26 inches yearly) plus the intermittent flooding and then drying up of the six rivers and tributaries draining the area, agricultural activities were limited mainly to the raising of African cattle on low-density grazing land.

A few agricultural projects were, nevertheless, undertaken in the lowveld some years ago by such pioneers as Murray MacDougall and Dr. E. D. Alvord, whose accomplishments helped to focus public attention on the potential of the region.

Mr. MacDougall raised cattle in the lowveld during the 1920's but later switched over to a few irrigated crops. With hand labor, oxen, simple equipment, and little capital, he finally succeeded by 1944 in producing 500 tons of sugar on the site of what is now one of Rhodesia's largest sugar plantations—Triangle Estates.

The first irrigated crops of corn, beans, peas, and bananas produced by African farmers on small plots were grown in 1932 along the lower Sabi River. Directing the project was Dr. E. D. Alvord—well known in the United States as a soil scientist, conservationist, and Rose Bowl football player and in Southern Rhodesia as an agricultural missionary and Director of Native Agriculture. This early irrigation area is now part of the 1,500-acre Nyanyadzi Africa Irrigation Scheme, later established by Dr. Alvord and his staff as one of the 12 irrigation projects by African farmers on the Sabi River.

Progress in the lowveld slow

In the 1940's the Rhodesian Government joined in the effort to cultivate this region, but any significant expansion was still a long time to come.

The government in 1944 purchased the MacDougall

Triangle Ranch and constructed the Esquilingwe Weir on the Mtilikwe River—a tributary of the Sabi River; 10 years later, only about 1,189 acres of the plantation had been planted to sugarcane.

Later—following a detailed survey by private consultants in 1948-50 of the Sabi-Lundi River Basins—the Sabi Irrigation Experiment Station and pilot crop and livestock farms were started. Progress here was also slow, mainly because of the isolation: as late as 1955, the area was 200 miles away from the nearest railroad transport, with most of the transport of livestock and crops being limited to trucks over rough gravel roads.

Not until 1958 did the lowveld development schemes get a real breakthrough. By then, a railway had been completed from Bulawayo to the Mozambique port of Lourenço Marques (for which another 50-mile branch was opened in 1964), the Triangle Ranch had been returned to private enterprise, and the Rhodesian Government, after assurance that private investors would develop sugarmills and plantations, had begun construction of the Kyle Dam.

Kyle Dam—not far from the famous Zimbabwe ruins, locale of the movie *King Solomon's Mines*—began operation in May of 1961. A second dam, Bangala, was opened southeast of Kyle on the same tributary (Mtilikwe) of the Sabi River; and a third, Chiredzi-Manjirenji, on a parallel tributary, is scheduled for completion in 1966.

Fourth dam planned

Also being contemplated is the building of a fourth dam, Dotts Drift, on the main Sabi River; it would irrigate 200,000 acres, about 125,000 of which would be for African farmers. Full development of this dam, however, cannot be realized until about $4 million is secured from overseas and other sources for a pilot project of 6,000 acres for African farmers. Known as the Chisumbanje Pilot Scheme, it will be located on clay soils similar to those of the Sabi experiment station.

To the southwest, the Tokwe Development Company is using private funds to develop the Tokwe Weir on the river of the same name. Cotton, burley tobacco, corn, and other crops are being produced, and cattle being fattened on local products.

The number of independent farms is also growing. Water rights have been assigned to a few smaller European farms and ranches, such as Samba Ranch, which produces cattle, sheep, cotton, corn, alfalfa, and burley tobacco, and some sugar.

Long-term development of these areas is under the general guidance and planning of the quasi-public Sambi-Limpopo Authority. The initial investment is around $90 million, more than two-thirds of it coming from private sources and the remainder from government-sponsored loans, principally for dam construction.

A sugarcane boom

An early result of the new irrigation systems is the tremendous increase in Rhodesia's sugar production, from a 1955-60 annual average of 9,000 short tons to an estimated 180,000 in 1964-65; 400,000 tons is the Rhodesian forecast for 1968.

All but 20,000 tons of the current production is accounted for by two plantations in the lowveld—the Hippo Valley Estate (which is also producing increasing quantities of citrus for export) and the Triangle Estate. The remainder is being produced at Chirundu in the north by irrigation from the Zambezi River. Following completion of the Chiredzi-Manjirenji Dam, another sugar estate and Rhodesia's fourth sugarmill will begin operation.

Above, burley tobacco being topped in Hippo Valley Estate. This and many other products—such as grapefruit, at right, being sorted for export—are grown on irrigated land of lowveld.

Benefits accruing from this rapid growth have been many. The industry alone has opened up new jobs for more than 23,000 persons—principally Africans—and it is estimated that many more permanent workers will be needed by 1968. Also, Rhodesia has been able to switch from importing sugar to exporting it. As a member of the Commonwealth Sugar Agreement, it has an annual quota of 25,000 long tons at guaranteed prices for the 1965-72 period. Under the agreement, additional outlets have also been secured in Canada and Britain for 100,000 long tons of Rhodesian sugar a year, at world open market prices.

Spectacular expansion in other crops

Growth in production of other crops has been rapid, in both the irrigation area pioneered by Dr. Alvord and the new sugar area. Today, the African irrigation project covers about 6,000 acres and is producing as high as two bales of cotton an acre as well as good crops of beans, vegetable seeds, corn, wheat millet, sorghum, bananas, papayas, and burley tobacco. A significant development here is systematic production of over 1,100 acres of bean seed, largely for export markets in Europe, as well as small acreages of lettuce and tomato seed.

Paralleling this agricultural growth is the construction of a new independent town (Chiredzi) in the lowveld. It will have municipal and other government buildings, factories, stores, office buildings, schools, a 250-bed hospital, modern housing for both Africans and Europeans, and perhaps a jet airport. Many of these have been completed or will be in the near future.

Bulk of project still to be realized

All of these accomplishments add up to only a fragment of what remains to be done. It is estimated that full implementation of the Sabi-Limpopo watersheds, as envisaged by the Sabi-Limpopo Authority, would cost $675 million or more. The long-term goal, to be carried out in the next 25 years: the irrigation of up to a million more acres and support for a population of over a million people—primarily Africans.

As it moves toward this goal, Rhodesia will find it necessary to accelerate extension and training services in irrigation practices. This will involve sizable additions to current agricultural extension and farm demonstration staffs, as well as careful evaluation of the socio-economic factors related to transition from subsistence to modern-irrigated farming on an intensive scale. Painstaking selection, planning, and marketing of crops and livestock in relation to future domestic and export markets will also be needed. This includes the production, slaughter, and preparation of beef for export markets. Beef has already become an export item of growing importance for Rhodesia, particularly that moving to the United Kingdom and other European markets.

Shipping Terms—and What They Mean

Not too long ago, an agreement between China and Japan for the purchase of soybeans almost fell through when the two countries couldn't come to terms on whether shipments of Chinese beans to Japan should be on a c.&f. basis or an f.o.b. basis. The problem—finally solved through a compromise under which part of the beans were to be shipped one way and part the other—points up the significance of these abbreviations in international trade. The letters quoted and the destination named can often mean the difference between a successful deal or failure to deal. Some commonly used shipping terms and what they stand for are given below.

• *C.i.f.* (*cost, insurance, freight*) is used for both domestic and export sales and generally means that the quoted price includes the cost of the goods, freight charges to a named destination—usually port of arrival—and the insurance charges on the shipment. The seller must arrange the transportation of the goods to the named point, pay the freight charges, and either insure the shipment or assume responsibility for any loss or damage during shipment, while the buyer is responsible only for the local delivery of the goods and the import duties.

Since shipping in this way generally requires more responsibilities than in other ways, the seller often charges a commission, quoted c.i.f.&c. Then, too, he may quote c.i.f.c.&i. (cost, insurance, freight, commission, and interest), c.i.f.i.&e. (cost, insurance, freight, interest, and exchange), or just c.&f. (cost and freight).

• *F.a.s.* (*free alongside ship*) is used mainly in export price quotations. It indicates that the price includes all costs of transportation and delivery of the goods to the dock. The buyer is responsible for the loading of goods and shipping from that point.

• *F.o.b.* (*free on board*) generally indicates that the seller assumes all responsibilities and costs—transportation, packing, and insurance—up to the point or stage of delivery named. The buyer takes over responsibility and costs at the same point.

Numerous f.o.b. destinations are quoted—f.o.b. factory, f.o.b. cars, f.o.b. ship, f.o.b. Chicago—but on an f.o.b. basis, the seller usually assumes responsibility for a shorter period of time than on a c.i.f. basis. In general, most agricultural goods are shipped in this way, while larger and more valuable items often go c.i.f.

Canadian Cotton Consumption Highest Since 1950-51

Canadian cotton consumption, based on the number of bales opened by mills, was 38,205 bales (480 lb. net) in May—compared with 36,519 in April and 35,802 in May of 1964.

Consumption during the first 10 months (August-May) of the current season amounted to 392,000 bales, higher than consumption during the August-May period of any season since 1950-51 when 442,000 bales were used. This was 3 percent above the 379,000 bales opened in the same period of 1963-64, and 20 percent above the average consumption of 328,000 bales in August-May of the past five seasons.

Imports of cotton into Canada during the August-January period of 1964-65 totaled 172,000 bales, 13 percent below the same period of 1963-64, but about equal to average imports of 171,000 bales in the past five seasons. The U.S. share of total imports during the August-January period was 91 percent, compared with 97 percent in the same period of 1963-64. Mexico supplies most of the remaining share. Imports this season have been considerably below the level of mill consumption while the large stocks on hand at the beginning were being reduced.

EEC Increases Protection Under Fruit and Vegetable CAP

A recent amendment to the European Economic Community's basic fruits and vegetables regulation (Regulation 23) will considerably raise the level of protection, and also could result in EEC importers' facing risks of commercial loss that are so great as to seriously hamper normal trade with non-EEC countries.

The amendment, adopted May 13 with an effective date of July 1, concerns the "reference price" system by which compensatory taxes may be assessed on EEC imports of fruits and vegetables "in order to avoid disturbances due to offers from third countries at abnormal prices."

EEC's regulation 65/65, which contains the new provisions, was adopted at Italian insistence that greater protection be given to Community (largely Italian) fruit and vegetable producers. The expected consequences of the amendment are higher reference prices and more automatic imposition of the compensatory tax. Under the new rule, it will no longer be necessary for the EEC to prove the presence or threat of grave disturbances on the market before imposing the countervailing charges.

EEC "reference prices," based on farmers' wholesale market prices in EEC producing areas, have been established for the past three marketing seasons for certain fresh fruits and vegetables. Prices have been well below the levels then prevailing for U.S. fruits delivered to EEC markets.

A hitherto unnoticed complication arising from the new amendment is that under its automatic provision, an importer of non-EEC fruits or vegetables could be required to pay a compensatory tax even if the reference price set by the EEC for the product concerned is below the actual landed c.i.f. price at which his imports enter. This could not have happened under the original basic regulation.

Whether the compensatory tax is levied will now depend, not on how the reference price compares with the c.i.f. price, but on how it compared with a calculated "entry price" based on what the imported product is actually selling for on EEC markets. It is entirely possible that abundant or poor EEC or third-country supplies could depress prices on a given market so much that the importer would have to sell the U.S. product for less than the c.i.f. price he paid for it. If the calculated "entry price" based on this situation were below the reference price—as it well might be—the importer would have to pay the compensatory tax in addition to suffering a commercial loss. This double risk is likely to discourage imports except in periods of light internal supplies.

How the amendment might operate can be illustrated by a hypothetical sale of U.S. apples to West Germany.

Let us assume that for a 42-pound box of fresh apples on the Hamburg market, the EEC reference price is $3.30 (as it was in January 1964), and the U.S. price c.i.f. Hamburg, $4.41 (also the actual January 1964 price).

The market cost is then calculated as follows:

(A) C.i.f. price	$4.41
(B) Duty, 10 percent of A	.44
(C) Turnover tax, 4 percent of A + B	.19
(D) Average profit margin estimated by EEC Commission, 12 percent of A + B + C	.60
Market cost	$5.64

If the importer sells the apples at the market cost, there is no problem. If, however, heavy supplies (which may come largely from domestic production) come on the wholesale market, the price realized by the sale of the U.S. fruit might be substantially lower. Assume for purposes of illustration that the realized sale price drops to $3.50. The entry price is established by deducting from this $3.50 the duties and other import taxes (B and C in the table above), plus any transportation costs from the border crossing to the representative market. In our example, there are no transportation costs because both border crossing point and representative market are in Hamburg. Using the same figures as above, the total reduction is 63 cents, leaving $2.87 as the entry price. This is 43 cents below the reference price of $3.30, and in principle the shipment would be subject to a compensatory tax of 43 cents.

It should be emphasized that these figures are illustrative only and are used to indicate the elements that enter into the calculations. Commission officials state that the imposition of a compensatory tax on an individual shipment is not triggered by the sale price of that shipment. However, persistently low prices for fruit from the United States (or any other third country) sold on the representative wholesale markets, when converted into entry prices that are below the reference price, could result in the imposition of a compensatory tax on subsequent shipments.

The ultimate level of Community reference prices remains a matter of primary concern to U.S. exporters, for it will determine the level to which market prices of U.S. fruit may decline before incurring a compensatory tax. In addition, however, the example just given shows that, with the advent of the "entry price" concept, traders can no longer avoid the imposition of compensatory taxes simply by making sure that c.i.f. sales prices are equal to or above the established reference prices.

A number of fruit-exporting countries have registered concern over the Community's new regulation. As an example of the reaction in Spain, on June 9 the Spanish Fruit Syndicate submitted a series of proposals to its government designed to offset the effects of the EEC compensatory tax regulation on fruits and vegetables. The Syndicate suggested that "the Government should announce the adoption of a discriminatory policy against Common Market imports to the same extent as the damage caused to Spain by the Community's policy."

The Community has not taken any further steps to define the commodities included in regulation 23, which to date have consisted only of fresh fruits and vegetables. Recently, however, the EEC's Committee of Farmer Organizations (COPA) asked the EEC Commission to extend "the measures laid down by Article 11 (modified) of the fruits and vegetables regulation (application of countervailing charges) to imports of 'finished or semifinished' fruit and vegetables (preserves, preparations, jams, dried fruits, etc.)."

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Japan's Purchases of Rice And Wheat Expected To Rise

Japan's rice imports during fiscal year 1964 amounted to 514,000 tons, the greatest amount since 1956, according to a survey completed recently by the country's Food Agency. Also, wheat and barley purchases at 3,915,000 tons were the highest since the end of World War II.

The principal reasons for this expansion of staple food imports are first, the government's failure to purchase the scheduled amount of indigenous rice last year because of the cold weather damage in Hokkaido, and second, the decrease in domestic wheat and barley acreage.

At the present time, the Food Agency estimates rice and wheat imports for fiscal year 1965 at the same level as 1964. It is expected, however, that Japan's rice crop this year may be affected adversely by the delay in planting and other unfavorable factors created by the unusually low temperatures. Furthermore, it is expected that wheat and barley acreage will decrease by a further 10 percent.

Imports could rise

Within the Food Agency, the view prevails that staple food imports may increase drastically this year, reaching 700,000 tons of rice and about 4 million of wheat and barley.

Also, it is feared that such a sudden increase in staple food imports will cause an increase in foreign currency spendings which would adversely affect the nation's balance-of-payments position. Measures for greater self-sufficiency of the nation in staple foods are up for discussion at the meetings of the Rice Price Deliberation Council being held in Tokyo this month.

Japan's rice imports started decreasing in 1956, and in 1961, they fell below 100,000 tons. This led to the belief that the country had almost attained self-sufficiency in rice. After 1959, domestic production amounted to more than 12 million tons a year. Then in 1962, after reaching a peak of 13 million tons, indigenous rice production began leveling off because of the slowing down of the tempo of acreage increase and yield per acre plus the unfavorable weather conditions. However, consumer demand for rice remained firm, and rice imports began increasing again.

Farmers threshing padi in Tanjong Karang—Malaysia's most progressive rice area. Rice yields here are unusually high, averaging 3,000 pounds per acre.

Onetime Swamp Now Model Malaysian Rice Area

A prime example of what can be achieved through land reclamation is the development of the rice area of Tanjong Karang in what is now the Malaysian State of Selangor. Here, construction of an irrigation complex has resulted in much of an impenetrable swamp becoming one of Malaysia's most progressive and better paid farming communities, with the highest per-acre rice yield in the country.

The irrigation project consists of a 50-mile coastal bund and a network of internal drainage canals which, although begun in the late 1930's, is just now being completed because of lack of funds and the Japanese occupation. While the irrigation project provided the land, a multiracial settlement program—also begun in the 1930's but completed shortly after World War II—attracted people to the area by such features as 3 acres of free rice land, an acre for other crops, free seed, free land rent for 3 years, and a guaranteed floor price for rough rice.

Results impressive

Today, both phases of the Tanjong Karang development program have paid off. Total cultivable acreage is now 110,000 acres, 50,000 of which are in rice and most of the rest in coconuts. The settlers, using modern farming practices, good soil management, and large quantities of fertilizer —including organic manures for off-season crops—have made the most of their holdings, coming up with astounding yields of rice, corn, and other crops. Yields of rice during 1959-60 through 1963-64, for instance, averaged 3,000 pounds of rice per acre compared with the national average of about 2,100. Yields of corn—an off-season crop mainly for human consumption—average between 20,000 and 25,000 ears per acre, providing a high gross income equivalent to US$198 to US$248 per acre.

The farmers' success in raising their yields, plus increased double cropping of rice, has resulted in an exportable surplus—for rice, about half of the main season crop of around 40,000 long tons, milled basis—as well as a relatively high income per family of about US$83 to US$99 per month.

More growth to come

Like most viable regions, however, Tanjong Karang will be expanding its agricultural output even more in the future. The irrigation facilities are still by no means perfect, and more work is to be done on them between now and 1970. Also, more rice land is to be double cropped. The current goal is to double crop 30,000 acres in 1965 and all 50,000 by 1970.

—Larry F. Diehl
U.S. Agricultural Attaché
Kuala Lumpur, Malaysia

World's Pepper Trade Changing; India Loses Lead To Indonesia, Also Brazil's Position Now Stronger

The world pepper trade, which has been marked by some rather dramatic fluctuations since World War II, underwent still further changes last year. India, the world's largest producer of pepper, lost its lead to Indonesia; at the same time, its exports to the United States dropped drastically. Brazil, a comparative newcomer to the pepper business, rose to third place as a producer, and with shipments at 5.2 million pounds became the second ranking supplier to the U.S. market.

Prior to the war, Indonesia produced some 70 percent of the world's black and white pepper. During the war years, the pepper gardens were either neglected or turned into cropland, and after the war the comeback was slow. India, meanwhile, stepped up its plantings, and by 1957 became the world's No. 1 producer as well as the leading supplier to the United States—the world's largest market, averaging 35 million pounds a year.

The pattern changed abruptly in 1963. That year Indonesia's pepper exports reached a record 96 million pounds whereas India's remained rather static at 42 million pounds. Also, once again Indonesia became the principal U.S. supplier, with shipments totaling 44 million pounds, a 112-percent increase over the previous year. Last year, Indonesia's pepper production increased to 66 million pounds, and the United States continued to buy heavily, taking some 47 million pounds. But U. S. purchases from India in 1964 dropped to 3.8 million pounds from 8.3 million the previous year, and 21.1 million in 1962.

USSR buying from India

Several factors are responsible for this switchover. India has concluded a number of bilateral trade agreements with the USSR and the East European countries, whereby machinery and industrial equipment are exchanged for India's agricultural commodities. Pepper is one of these commodities; in fact, the USSR has now replaced the United States as the biggest outlet for India's pepper. With these large shipments coming at a time when domestic utilization of pepper is increasing and output is decreasing, India has simply not had the pepper to supply large amounts to other markets.

Simultaneously, Indonesia has made extensive efforts to expand its pepper trade. Prior to the break in diplomatic relations with Malaysia, the bulk of the crop was processed and marketed in Singapore—and considerable is still smuggled in, for Malaysia's pepper sales remain high. For the most part, though, Indonesia is exporting directly to world markets, and with two large crops in succession and the release of previous years' stocks, it has been forced to adopt measures to maintain sales at a high level.

Consequently, in spite of the coordination of minimum export prices between India and Indonesia during the last quarter of 1964, Indonesia allowed rebates of about 4 to 5 cents a pound to U.S. importers. Indonesian exporters have had little experience in cleaning and grading, since this job was previously done in Singapore, so many Indonesian pepper shipments have been detained at U.S. ports where cleaning and grading has had to be done in order to meet U.S. import standards. These rebates compensated for the delays and increased purchases.

Brazil's output mounting

During the postwar period and early 1950's when pepper prices soared to alltime peaks, other countries were encouraged to engage in commercial pepper production. Brazil, which began growing pepper in the 1930's, was one of them. In 1956, Brazilian production totaled 4.5 million pounds; in 1963, it rose to 14 million pounds, but it decreased to 13.2 million last year.

Imports of pepper from Brazil into the United States started in 1956 with 110,000 pounds, and within 5 years reached 1.7 million. Last year, Brazil's 5.2-million-pound shipments to the United States double those of 1963.

In Africa, the Malagasy Republic, Nigeria, Cameroon, and the Republic of Congo (Leopoldville) are all producers of pepper. The only significant exporter is the Malagasy Republic, which shipped 1.2 million pounds in 1956 and reached a peak of 2.8 million in 1961, but declined to slightly less than 2 million in 1963.

Major pepper-producing areas are localized where climatic and soil conditions are suitable and labor is available. In Indonesia, cultivation is concentrated in the southern part of Sumatra and two nearby islands. In India, 95 percent of the pepper is grown in the State of Kerala. Brazil's production is concentrated near the mouth of the Amazon, and in Malaysia, pepper is grown at the northern part of Sarawak. When storms hit any one of these areas, or government policies dictate markets, pepper prices fluctuate. This has long been the history of this essential condiment.

—ARTHUR G. KEVORKIAN
Sugar and Tropical Products, FAS

Sudan's Wheat Imports Boom

The Sudan imported a record 54,600 metric tons of wheat in 1964, about 85 percent of it from the United States; somewhat more than half the U.S. wheat moved under Public Law 480. Sudan's wheat imports are expected to increase still further in 1965.

This record reflects two recent shifts in the country's wheat importing pattern: toward wheat rather than flour, and toward the United States as main supplier.

Imports of wheat began climbing in 1961, when the Sudan began operating flour mills of its own. Before that year, it imported only token quantities of wheat for seed and feed.

The first commercial imports of wheat arrived in 1961—40,966 tons, all from the USSR. Next year, of the 460,037 imported, 86 percent came from the USSR and 14 percent from the United States. But in 1963, the U.S. share of the total rose to 64 percent, with 28,252 tons (some two-thirds of it under P.L. 480).

During the same period, imports of wheat flour have declined. They had averaged 66,800 tons a year in 1957-60; in 1964 they were only 40,723.

Before the Sudan began to mill wheat, its flour imports came principally from West Germany and France. In recent years the United States has become the largest supplier of flour as well as wheat; in 1964, it accounted for 84 percent of flour imports.

The Sudan's flour mills, utilizing imported wheat plus about 25,000 tons from local farms, now produce over half the wheat flour consumed. Imports of wheat and flour account for almost three-fourths of the bread eaten, for bread consumption is rising faster than local wheat output.

Virginia Promotes Its Farm Products in Important World Markets

Virginia's important contribution to the first shipment of U.S. feeder cattle to Western Europe in more than 50 years has focused new attention on the market development program carried on by the Old Dominion State.

Many states have aggressive programs to promote sales of agricultural products abroad, but Virginia was among the first to recognize the importance of cultivating foreign markets and to take positive steps in this direction in the early 1950's.

Then almost wholly a program of the Virginia Department of Agriculture, the State's export expansion today is an outstanding example of government-industry teamwork. Cooperating with VDA are a number of private trade and producer groups, as well as the Virginia State Chamber of Commerce and, most recently, the Virginia Agriculture World Trade Committee especially formed to promote Virginia farm exports. VDA also maintains close relationships with the U.S. Departments of Agriculture and Commerce in Washington, D. C.

Market development was a key factor in pushing Virginia's agricultural exports to a record $68 million last year—a two-thirds increase from the 1954 level, compared with a doubling of U.S. exports as a whole during the 10-year period.

Exports spark economic growth

Expansion of the State's foreign market has made a significant contribution to the agricultural economy of Virginia. Exports last year accounted for 14 percent of the State's total agricultural income against 8 percent in 1954. Foreign markets absorbed nearly 13 percent of Virginia's production of poultry, 50 percent of tobacco, 25 percent of corn, 10 percent of apples, and 70 percent of soybeans.

Citing the importance of exports to Virginia agriculture, VDA Assistant Director of Markets A. Grant Moffett said that "some crops, such as soybeans, farmers probably wouldn't produce at all were it not for the export market. But mainly, exports have helped stabilize prices. Once we divert produce off the domestic market, it doesn't come back to haunt us in the form of lower prices all down the marketing chain."

Too, the profits from exports are often greater than from domestic sales. A trial shipment to England last summer of Virginia strawberries brought $1.50 a pint, compared with 30 cents locally. Including transportation, the difference still amounted to about 90 cents.

Through its 10 commodity divisions —responsible for both domestic and foreign promotion of the major Virginia products—the Virginia Department of Agriculture searches for sales opportunities, alerts the appropriate dealers and exporters, and assists in sales transactions. It has become a well-traveled bridge between exporters and importers.

Mr. Moffett said, "Getting foreign buyers and Virginia farm exporters together is one of VDA's most important functions."

Buyer-to-seller program

Late last year a new buyer-to-seller program was launched by the Virginia Agriculture World Trade Committee —representing government and industry—in cooperation with the Virginia State Chamber of Commerce. Its major objectives are to persuade world buyers to visit Virginia and to recommend reputable marketing firms to supply the buyer demands.

"Through effective utilization of appropriate government agency and private enterprise services, sales may become easier and service more efficient for both the buyer and seller. The advice of leaders in such areas as finance, transportation, advertising, and merchandising will be called upon in the months ahead to help the program succeed," Mr. Moffet said.

In line with the new program's objectives, the Virginia Farm Bureau Federation has offered space for an agricultural trade center at Richmond. "If plans materialize, here would be displayed all the farm commodities that Virginia produces," Mr. Moffett said. "Special consideration would be given to foreign tradesmen traveling in the States. We would invite them to visit the trade center, where they would be put in contact with Virginia firms that can give further information about the commodities promoted at the center."

Noting past accomplishments of the buyer-to-seller approach to market development, Mr. Moffett said that service to the importer and exporter was one reason why Virginians were able to sell 2,855 head of feeder cattle to Italy in 1964, or about a third of the total U.S. export business in feeders that year.

Service to Italian importers

Last summer, when Italy first showed an interest in U.S. cattle imports to help ease a red meat shortage, an Italian importer came to the United States for an inspection of U.S. production and marketing centers. But even before the tour got underway, VDA arranged to have Virginia dealers meet with the Italian importer, assisted the parties in arriving at bargaining terms, and worked out details for assembly, transportation, and loading of the cattle. The initial sale of about 800 head that resulted was the first to a West European country in more than a half century.

As a followup, a team of VDA representatives and a cattle dealer this past March participated in the 67th International Livestock Exhibition at Verona, Italy, where additional trade contacts were established. All major cattle merchants were contacted and lengthy discussions concerning the importation of American cattle were held. A number of farmers already feeding U.S. cattle were also visited to discuss any problems encountered in the feeding period. In April, American feeders were again promoted at the Milan Samples Fair by a VDA livestock specialist.

Fruit, vegetable, and tobacco

Increasing amounts of Virginia's fruits, vegetables, and tobacco have also been moving in overseas channels partly because of the stimulus provided by VDA in cooperation with State and national groups.

Below, Virginia cattle are loaded aboard ship for voyage to Italy; another ship, top right, takes on tobacco, one of Virginia's traditional exports; below right, apples are exhibited in Lima, Peru.

Mr. Moffett said that Western Europe traditionally has been the primary export market for Virginia apples. "Now, however, we are trying to get the apple industry to think more and more in terms of Latin America as a developing outlet, because we realize that the growth of Italy's fruit industry may ultimately cut into Virginia's share of the European market," he added.

For this reason, VDA 2 years ago sent a representative to the Third International Trade Fair held in Lima, Peru, to learn about that market's preferences for fresh and canned apple varieties, size, and type of container as well as to acquaint Peruvian users with the apples Virginia has for export. Many new purchases resulted directly from this single market development trip.

Efforts by VDA have helped bring about increased exports of Virginia watermelons and sweet corn to Canada. During this past Thanksgiving and Christmas holiday seasons, Canada for the first time became a market for Virginia sweetpotatoes through promotion with a major food chain in that country.

To make Virginia tobacco more competitive from a quality standpoint in foreign markets, VDA 2 years ago launched an Approved Practices Program in cooperation with the Virginia Farm Bureau. Among other things, participating growers agree to use only specified varieties, to plant no more than 6,500 plants per acre, and to control suckers by methods other than the application of maleic hydrazide (a chemical many foreign manufacturers will not accept).

In further steps toward supplying the kind of tobacco foreign buyers demand, a VDA tobacco marketing specialist in late 1963 conducted a month-long survey of eight European importing countries to discuss market requirements with tobacco-products manufacturers and users.

The upshot of these measures has been relatively high prices for Virginia flue-cured tobacco overseas compared with those being received by other exporting areas. Despite reductions in acreage allotments in recent years, growers continue to enroll in the Approved Practices Program; they consider the benefits from participation in terms of increased profits to outweight those from getting the maximum yield per acre, Mr. Moffett said.

In the latest promotion of Virginia tobaccos overseas, an advertising campaign to expand sales of the German-produced Virginier cigar—made entirely of Virginia dark-fired tobacco—was conducted in Frankfurt, Munich, and Upper Bavaria during the fall and winter of 1964 based on a buyers motivation study made 3 years previously. The cigars were featured in daily newspaper ads (28 insertions in Frankfurt alone), also in point-of-sales exhibits, billboards, and posters.

Though a primary concern at VDA is developing new markets, efforts to maintain existing markets are seen as equally vital to sustained high-level exports. The department actively participates in foreign trade matters that affect Virginia.

Bumper Wheat Crop Foreseen in Canada

Canada's wheat crop prospects are reported as good to excellent. Moisture conditions are continuing at a very favorable level in nearly all areas of the three Prairie Provinces, and, while intended plantings of wheat are down slightly, the possibility exists for a crop at or near the 723-million-bushel record set in 1963.

Planting of the crop was, however, delayed approximately a week by the late spring, and growth has been retarded perhaps another week by wet cool weather without sun. This lateness of the crop could cause a frost problem in case of an early fall. Recent rains, too, have promoted the growth of weeds and, at the same time, prevented spraying for their control. Weather will be a critical factor in determining size of the crop.

Plantings of other grains in Canada are larger this year, which would indicate a bigger total grain crop.

France Forecasts Record Wheat Crop

The first official forecast of the French wheat crop, as of June 1, is 515.1 million bushels compared with the near-record production of 500.5 million bushels in 1964. The previous record was 509 million bushels from 11,292,000 acres in 1962.

Estimated 1965 acreage, at 11,238,000 acres, was up from 10,902,000 in 1964. The acreage and production estimates for 1965 are both 3 percent higher than in the preceding year, with indicated yields per acre at about the same record level for both crops.

Since June 1, severe windstorms have caused lodging of crops in certain areas of France. This could affect the crop outlook to some extent.

Canada Resubsidizes Nonfat Dry Milk Exports

In a move to strengthen domestic prices, the Canadian Agricultural Stabilization Board last month briefly reinstituted the export subsidy of 1 Canadian cent per pound on first-grade spray skim milk powder shipped to approved destinations. The subsidy became effective on June 1, 1965 (after having been withdrawn in July 1964). Good export demand and firmer domestic prices led to its suspension again on June 24.

During the subsidy period, the Board purchased nonfat spray powder at 11 cents per pound and resold it to exporters at 10 cents per pound.

In another dairy product action, the Board reduced the export subsidy on whole milk powder from 6.3 Canadian cents per pound to 5, effective June 1. The subsidy on evaporated milk was maintained without change, at 1 cent.

U.S. Meat and Livestock Exports Show Some Recovery

U.S. exports of animal fats, most meats, and meat products during the January-April 1965 period were below the levels recorded at the same time last year, but beef, hides, and live cattle were up.

During April, lard exports continued at a relatively low level reflecting reduced shipments to the United Kingdom. Total January-April lard exports were 54 percent below a year ago. Tallow and grease shipments—though up 22 percent in April compared with the same month of 1964—were still 10 percent below last year's first 4-month level, owing in part to the U.S. dock strike early this year.

The increased beef exports this year are more than offset by reductions in exports of other red meats, resulting in an overall 47-percent decline compared with the first 4 months of last year. The most significant reduction was in exports of pork—down 74 percent—reflecting much smaller sales to Canada and Western Europe.

Exports of variety meats gained during April so that this year's 4-month total was about equal to last year's. Western Europe continues to be the largest outlet.

Shipments of sausage casings were down significantly from last year reflecting larger domestic supplies of hog casings in Western Europe. Mohair exports were 35 percent above a year ago.

Exports of cattle hides in January-April 1965 reached 4 million pieces—20 percent above the corresponding period of last year. Live cattle exports amounted to 17,000 head compared with 10,182 in January-April 1964.

U.S. EXPORTS OF LIVESTOCK PRODUCTS
(Product weight basis)

Commodity	April		Jan.-April	
	1964	1965[1]	1964	1965[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Animal fats:				
Lard	72,758	38,009	239,414	109,142
Tallow and greases:				
Inedible	183,596	223,959	747,309	669,294
Edible	940	2,303	3,731	7,716
Red Meats:				
Beef and veal	3,929	4,019	11,915	20,087
Pork	10,892	4,176	65,323	17,084
Lamb and mutton	78	155	451	417
Sausages:				
Except canned	413	130	957	528
Canned	52	102	298	438
Other canned meats	140	980	743	2,902
Meat specialties:				
Frozen	---	91	---	338
Canned	---	193	---	450
Total red meats	15,504	9,846	79,687	42,244
Variety meats	14,599	17,971	66,138	65,799
Sausage casings:				
Hog	1,070	594	4,231	2,239
Other natural	241	340	1,071	1,176
Mohair	150	588	1,112	1,503
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides and skins:				
Cattle	882	1,324	3,350	4,027
Calf	183	168	852	606
Kip	30	58	95	133
Sheep and lamb	204	301	1,042	979
Horse	(2)	1	(2)	9
Goat and kid	(2)	18	(2)	78
	Number	*Number*	*Number*	*Number*
Live cattle	3,654	3,737	10,182	17,000

[1] Because of new classifications 1965 data are not entirely comparable with earlier years. [2] Included in cattle hides. [3] Included in sheep and lamb skins.

Nicaragua's Cigarette Output Up

Cigarette output in Nicaragua continued upward through 1964. Production last year totaled 911 million pieces—up 2.2 percent from the 891 million produced in 1963.

Pakistan's Cigarette Output Increases

Cigarette output in Pakistan continued to rise through 1964. Production last year amounted to 18.4 billion pieces and was almost 13 percent greater than the 16.3 billion produced in 1963.

In West Pakistan production last year totaled 13.1 billion pieces, compared with 11.9 billion in 1963. In East Pakistan it also rose—to 5.3 billion from 4.4 billion in the previous year.

Ethiopia's Cigarette Sales Up

Cigarette sales of both domestic-made and imported brands by the Imperial Ethiopian Tobacco Monopoly during fiscal 1963-64 totaled 506 million pieces, almost 12 percent larger than the 452 million sold in fiscal 1962-63.

Sales of domestic-made brands rose to 401 million pieces from 361 million for the previous fiscal year. Also, sales of imported brands increased from 91 million pieces to 105 million during fiscal 1963-64.

West German Honey Imports Down

West Germany imported 85.6 million pounds of honey during calendar year 1964. This compares with 99.1 million for 1963 and 107.3 million for 1962. Imports from the United States declined from 11.3 million pounds in 1963 to 5.6 million in 1964.

Argentina and Mexico were the largest suppliers in 1964, as they have been for the past several years. West Germany imported 23.2 million pounds from Argentina and 22.9 million from Mexico during 1964.

Togo's Exports of Vegetable Oils and Oil-Bearing Materials

Exports of vegetable oils and oil-bearing materials from Togo accounted for about 10 percent (US$3.0 mil.) of total value of all exports in 1964 (US$30.2 mil.). The major export item was palm kernels valued at (US$1.8 mil.) in 1964. France was the primary destination.

TOGO'S EXPORTS OF VEGETABLE OILS AND OIL-BEARING MATERIALS

Item and country of destination	1963	1964
	Metric tons	*Metric tons*
Palm kernels, total	12,748	14,477
France	9,796	12,723
Netherlands	2,351	904
Germany, West	100	400
Belgium	501	350
Other countries	---	100
Copra, total	2,964	3,772
France	2,964	3,672
Spain	---	100
Peanuts, shelled, total	2,809	2,602
France	2,699	2,295
Belgium	105	307
Other countries	5	---
Cottonseed, total	3,788	1,410
United Kingdom	3,788	1,410
Castorbeans	732	389
Palm oil	28	138

Bulletin Statistique Mensuel du Togo.

Gabon's Peanut Situation

The production of peanuts in Gabon varies from an estimated 7,000 to 8,000 metric tons, unshelled basis. Although peanuts are produced in many areas of the country, the major commercial production is in the N'Gounie region.

Almost all production is consumed locally. A small amount is crushed for oil and about 450 tons, unshelled basis, are exported. Exports of shelled peanuts in 1964 totaled 158 tons compared with 148 in 1963. Exports of unshelled peanuts amounted to 240 tons in 1964 as against 181 in 1963.

Nigeria's Palm Product Purchases

The Regional Marketing Boards of the Federation of Nigeria as of May 27 had purchased 165,624 long tons of palm kernels and 95,149 tons of palm oil (all grades). Purchases through May 28, 1964, totaled 175,336 tons for palm kernels and 92,980 for palm oil.

Congo's Exports of Palm Products

Exports of palm products from the Republic of the Congo (Leopoldville) during the first 3 months of 1965, according to the Société Congolaise de Surveillance, were palm oil 19,409 metric tons, palm kernel oil 8,952, palm kernels 0, and palm kernel cake 12,858.

The January-March 1964 totals were palm oil 37,327 metric tons, palm kernel oil 10,986, palm kernels 312, and palm kernel cake 11,170.

Tung Oil Shipments From Buenos Aires

Tung oil shipments from Buenos Aires totaled 20,212 short tons during the August-May 1964-65 period compared with 22,655 tons in the corresponding period of 1963-64. The decline—11 percent—reflects a sharp reduction in shipments from Paraguay diminished by somewhat larger movements from Argentina.

TUNG OIL SHIPMENTS FROM BUENOS AIRES[1]

Origin and destination	April	May		August-May	
	1965[2]	1964	1965[2]	1963-64	1964-65[2]
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Argentina:					
To United States	1,607	137	823	2,443	9,023
To other countries[3]	1,169	817	257	13,236	7,392
Total	2,776	954	1,080	15,679	16,415
Paraguay:					
To United States	432	537	---	4,724	2,622
To other countries[3]	2	9	225	2,252	1,175
Total	434	546	225	6,976	3,797
Total:					
To United States	2,039	674	823	7,167	11,645
To other countries	1,171	826	482	15,488	8,567
Grand total	3,210	1,500	1,305	22,655	20,212

[1] Presumed to represent all of the tung oil exported from Argentina and Paraguay. [2] Preliminary. [3] Largely to West European countries.

Compiled from shipments data, *Boletín Marítimo*, Buenos Aires.

Shipments in May, largely from Argentina, were markedly below those in April. Of the total aggregate shipments, the 11,645 tons moving to the United States accounted for 58 percent compared with 32 percent in the same period a year ago.

Monthly average prices for South American tung oil in Europe during the first half of 1965 (June not quoted) have averaged about 25.5 cents per pound or about 8 percent above the 23.6 cents per pound in the January-June period of 1964, reflecting reduced availabilities.

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In the January-June periods during 1959-64, prices averaged 25.6 cents or about the same as in 1965.

SOUTH AMERICAN TUNG OIL PRICES, MONTHLY AVERAGES[1]

Month	Average 1959-64	1962	1963	1964	1965
	U.S. cents per lb.	*U.S. cents per lb.*	*U.S. cents per lb.*	*U.S. cents per lb.*	*U.S. cents per lb.*
January	23.1	24.6	38.3	26.4	25.2
February	25.2	31.3	38.2	25.6	24.8
March	26.1	32.8	38.0	24.0	24.9
April	26.6	37.6	37.2	23.0	26.2
May	26.2	39.0	36.5	21.7	26.2
June	26.0	39.2	36.2	20.7	(2)
July	26.1	39.1	35.9	20.7	---
August	25.3	38.7	33.4	20.4	---
September	25.5	38.2	31.0	20.1	---
October	25.4	38.1	30.5	20.2	---
November	26.2	38.2	30.0	(2)	---
December	27.3	38.2	28.2	23.8	---
Average	25.8	36.2	34.4	22.4	---

[1] Quoted in bulk c.i.f. European ports; they have been converted from original at an average rate of US $2.80 per pound sterling. [2] Not quoted.

Compiled from *Public Ledger*, London (Saturday edition).

West German Tender for Canned Pears

The Federal Republic of Germany announced on June 22, 1965, a tender allowing imports of canned pears in containers, the content weighing less than 4.5 kilograms. Imports will be permitted from a large number of countries including the United States.

Applications for licenses, separate for each country, may be submitted from June 22, 1965, until the exhaustion of the undisclosed value limit but not later than December 30, 1965. Licenses will be valid until December 31, 1965.

United States Exports Less Cotton

U.S. exports of all types of cotton amounted to 3,396,000 running bales in the first 10 months (August-May) of the current season. This was 26 percent below the 4,578,000 bales exported in the same period a year ago.

Exports in May totaled 250,000 bales, compared with 407,000 in April and 381,000 in May 1964.

U.S. COTTON EXPORTS BY DESTINATION
(Running bales)

Destination	Year beginning August 1				
	Average 1955-59	1962	1963	August-May 1963	August-May 1964
	1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Austria	33	13	23	16	9
Belgium & Luxembourg	160	72	176	137	72
Bulgaria	0	0	19	19	0
Denmark	17	13	16	13	5
Finland	22	13	10	9	11
France	360	180	380	337	172
Germany, West	475	101	401	371	206
Hungary	0	0	18	6	0
Italy	416	192	432	379	248
Netherlands	124	71	127	112	63
Norway	10	10	14	12	12
Poland & Danzig	85	62	132	110	67
Portugal	28	7	35	29	20
Spain	171	(1)	14	14	15
Sweden	75	56	88	81	53
Switzerland	64	37	95	87	64
United Kingdom	525	139	286	234	133
Yugoslavia	108	113	78	13	98
Other Europe	17	3	20	9	12
Total Europe	2,690	1,082	2,374	1,988	1,260
Australia	54	41	91	73	56
Canada	217	271	448	336	295
Chile	35	24	2	1	1
Colombia	33	1	14	8	(1)
Cuba	27	0	0	0	0
Ethiopia	4	15	9	9	1
Hong Kong	134	79	187	161	126
India	184	198	314	153	110
Indonesia	30	51	21	21	47
Iraq	0	0	20	20	0
Israel	16	7	26	17	19
Japan	1,154	895	1,301	1,117	846
Korea, Rep. of	205	236	313	233	210
Morocco	10	8	15	13	11
Pakistan	14	8	8	5	9
Philippines	64	108	140	104	61
South Africa	26	19	37	29	40
Taiwan (Formosa)	153	223	189	164	159
Thailand	4	22	39	33	44
Uruguay	15	0	(1)	(1)	0
Venezuela	2	5	12	11	5
Vietnam[2]	2	36	75	62	45
Other countries	27	22	27	20	51
Total	5,100	3,351	5,662	4,578	3,396

[1] Less than 500 bales. [2] Indochina prior to 1958. Includes Laos and Cambodia.

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